



EMBASSY
OF THE
UNITED STATES OF AMERICA

Santiago, Chile

June 13, 1969

CONFIDENTIAL

Mr. Edward L. Allen
Director of Economic Research
Central Intelligence Agency
Washington, D. C. 20505

Dear Mr. Allen:

Thank you very much for the copies of your recent surveys on agriculture and the economy of Chile.

I am sorry that neither myself nor Sidney Weintraub, the Director of the combined AID/Embassy Economic Mission, were able to be on hand when [REDACTED] arrived in the early part of May. It was necessary for both of us to be in Washington at that time. [REDACTED], however, was able to meet with the members of the Mission and did talk at some length with John Sprott, the Chief of our Economic Section. Mr. Sprott indicated to me that his discussion with [REDACTED] covered rather thoroughly the subject and points of view of the memorandum, "The Chilean Economy: Trends Under Frei and Prospects for 1969-70." But, and this is the important point, he feels that even after this lengthy talk there seemed to be no willingness to understand the concern of this Mission over what we then considered and still consider to be a clear bias in the report. [REDACTED] seemed to want to defend, not to discuss or understand, and I am afraid this really served no purpose. I find this attitude difficult to accept and it causes me to question, I think unfortunately, the intelligence quality of other reports by this staff.

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State Dept. declassification & release instructions on file

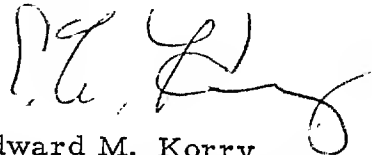
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[REDACTED] in the course of his discussion with John Sprott, indicated that the answers we formed and sent up on the early draft of the "Chilean Economy..." had been rebutted with several unofficial copies floated "around" (but not to us). I have found this whole procedure of "intelligence"-- the preparation of a report that is clearly biased and tendentious, an unwillingness to listen to other points of view during its preparation, its circulation as a supposedly impartial study, an unofficial rebuttal that is bootlegged around, and then a desire only to defend and not to understand what it was we were getting at when somebody from your staff took the trouble to come all the way to Chile -- somewhat less than intelligent and somewhat less than worthy of your organization, for which I have a high regard.

Sincerely,



Edward M. Korry
American Ambassador

cc: INR - Thomas Hughes - Asst. Secretary of State
ARA - Charles Meyer , Asst. Secretary of State
ARA/BC - Fred Chapin.

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Y

CIA No. 5954

17 April 1969

The Honorable Edward M. Korry
United States Ambassador
The American Embassy
Santiago, Chile

Dear Ambassador Korry:

Knowing your personal interest in intelligence appreciations of Chile, I am enclosing copies of our two most recent surveys, IM 69-19 on agriculture, and IM 69-53 on the economy as a whole.

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[REDACTED] our senior economic analyst on Latin America, will be in Santiago on 5, 6 and 7 May. He would appreciate an opportunity to discuss with you and your staff the basic judgments in these intelligence surveys.

We hope that as a result of this exchange it may be possible to narrow the gap on our respective views of the Chilean economy.

Sincerely yours,

/s/

Edward L. Allen
Director
Economic Research

Enclosures:

IM 69-19 (Copy Nos. 35 and 36)
IM 69-53 (Copy Nos. 19 and 20)